

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 022053

17

ORIGIN COME-00

INFO OCT-01 ARA-06 EUR-12 IO-10 ISO-00 AGR-05 CEA-01

CIAE-00 DODE-00 EB-07 FRB-03 H-01 INR-07 INT-05 L-02

LAB-04 NSAE-00 NSC-05 PA-01 RSC-01 AID-05 CIEP-01

SS-15 STR-01 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 FEA-01 AF-06 EA-06 NEA-09 OIC-02 /128 R

66619

DRAFTED BY COM/OTP/TNAD:DGARDNER

APPROVED BY EB/OT/GCP:DDUNFORD

EB/OT/GCP:MGOLDMAN

STR/B:STEINBOCK(SUBS)

COM/OTP/TNAD:FMONTGOMERY

USDA/FAS:GSINDELAR

ARA/BR:RWZIMMERMAN(DRAFT)

USDA:KREYNOLDS

STR:AGARLAND

----- 102488

R 302218Z JAN 75

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

USMISSION EC BRUSSELS

USMISSION GENEVA

LIMITED OFFICIAL USE STATE 022053

E.O.11652:NA

TAGS: ETRD BR

SUBJ: RECENT GOB TARRIFF INCREASES

REF: A. BRASILIA 585; B. BRASILIA 142; C. GENEVA 7528
OF 12/17/74.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 022053

1. THE USG IS CONCERNED BY THE RECENT GOB ACTION INCREASING TARIFF RATES BY 100 PERCENTA POINTS ON A GREAT NUMBER OF PRODUCTS AND WITH NO PRIOR CONSULTATIONS. WHILE U.S. UNDERSTANDS THE ECONOMIC PROBLEMS FACING BRAZIL WHICH PROMPTED THIS ACTION, USG BELIEVES THAT UNILATERAL IMPOSITION OF TRADE OBSTICLES WILL ONLY AGGRAVATE GLOBAL ECONOMIC PROBLEMS.

2. TIMING OF GOB TARRIFF INCREASE VERY HARMFUL TO U.S. GROWERS OF FRESH APPLES, PEARS AND GRAPES, WHO NOW FIND THEMSELVES VIRTUALLY EXCLUDED FROM BRAZILIAN MARKET IN MIDST OF CURRENT U.S. MARKETING SEASON.

3. USG CONSIDERS IT PARTICULARLY INAPPROPRIATE THAT THE GOB DEEMED IN NECESSARY TO INCLUDE IN THIS BROAD TARIFF INCREASE ITEMS WHICH WERE THE SUBJECT OF ARTICLE XXVIII AGREEMENT BETWEEN THE USG AND THE GOB IN 1970.

4. WE ARE AWARE OF THE FACT THAT THE GOB HAS NOT YET PROMULGATED THE RATES OF DUTY BOUND UNDER THAT AGREEMENT, AND UNDERSTAND THAT THE AGREED DUTY RATES WILL BE PROMULGATED BY THE GOB IN NEAR FUTURE (EXCEPT FOR ITEMS AFFECTED BY DECREE-LAW NO. 1366 OF NOVEMBER 29, 1974). THIS WILL BE MOST WELCOME, SINCE THE UNITED STATES HAS NOT YET BENEFITED FROM THE SIGNIFICANT CONCESSIONS EMBODIED IN THE 1970 US-BRAZIL ARTICLE XXVIII NEGOTIATIONS.

5. ALTHOUGH REFTTEL B ASSURES US THAT THESE DUTIES WILL BE REDUCED TO RATES AGREED UNDER ARTICLE XXVIII SETTLEMENT TERMS ONCE GOB ACTUALLY PURBLISHES IMPLEMENTING DECREE-LAW, USG CONCERNED THAT BY THE TIME GOB PROMULGATES NEW GATT RATES ON FRUIT ITEMS, CURRENT U.S. MARKETING SEASON WILL BE SUBSTANTIALY OVER.

6. USG HAS AGREED, IN SPIRIT OF NEW DIALOGUE, TO CALL FOR PRIOR CONSULTATIONS INsofar AS POSSIBLE WHEN CONTEMPLATING THE ADOPTION OF MEASURES WHICH MIGHT AFFECT THE NORMAL FLOW OF TRADE WITH LATIN AMERICA. WE RECOGNIZE THAT SUCH CONSULTATION IS A PREREQUISITE TO IMPROVING TRADE RELATIONS, AND TRUST THAT THIS VIEW IS FULLY SHARED BY THE GOB. IN THIS LIGHT, WE HOPE THAT GOB WILL EXTENT THE COURTESY OF CONSULTATIONS AS APPROPRIATE ON SIMILAR ACCOASIONS IN THE FUTURE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 022053

7. POST REQUESTED INFORM GOB OF USG CONCERNS OUTLINED ABOVE, AND SEEK A) IMMEDIATE REMOVAL OF DUTY INCREASES ON ITEMS COVERED BY US-GOB ARTICLE XXVIII NEGOTIATIONS, PARTICULARLY ON FRESH FRUIT ITEMS, IN ORDER TO REDUCE SERIOUS DISLOCATIONS IN U.S. MARKETING OF THESE PRODUCTS, B) CONFIRMED DATE OF GOB PROMULGATION ARTICLE XXVIII RATES, AND C) ASSURANCE THAT RECENT DUTY RATE INCREASES ON OTHER ITEMS WILL NOT EXTEND BEYOND

DECEMBER 1976.

8. FYI - USG CONSIDERS PROMPT PROMULGATION OF ARTICLE XXVIII DUTY RATES OF PARAMOUNT IMPORTANCE. IF REASONABLY EXPEDITIOUS PROMULGATION NOT ACCOMPLISHED WE WILL GIVE SERIOUS CONSIDERATION TO PURSUING ARRANGEMENTS UNDER ARTICLE XXVIII 3 (A) AND TO EC SUGGESTION THAT BRAZILIAN ACTIONS BE SUBJECT TO GATT BOP COMMITTEE REVIEW; OR POSSIBLE GATT COUNCIL REVIEW.

9. MESSAGE CONCERNING ITEMS AFFECTED BY DECREE-LAW NO. 1366 OF NOVEMBER 29, 1974 WILL FOLLOW BY SEPARATE CABLE.

10. PRIORITY REPLY REQUESTED. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FRUIT, IMPORT CONTROLS, TARIFFS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE022053
Document Source: CORE
Document Unique ID: 00
Drafter: DGARDNER
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750035-1075
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975015/aaaaaelu.tel
Line Count: 128
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 BRASILIA 585, 75 BRASILIA 142, 75 GENEVA 7528
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 17 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 APR 2003 by KelleyW0>; APPROVED <16 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: RECENT GOB TARRIFF INCREASES
TAGS: ETRD, BR, US
To: BRASILIA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006